

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 PA-01 PRS-01 ERDA-05 AID-05 CEA-01
CIAE-00 CIEP-01 DODE-00 EB-07 FEAE-00 FPC-01 H-01
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-06 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07
/099 W

-----071401Z 103527 /53

R 071116Z JAN 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 457
INFO USDOC WASHDC
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 0319

EO 11652: NA
TAGS: ENRG, EINV, IN
SUGJ: GOI FINALIZES TAKEOVER OF CALTEX

REF: 76 NEW DELHI 16984, 76 NEW DELHI 15463

1. BY PRESIDENTIAL ORDINANCE DATED DECEMBER 30, 1976
CALTEX'S REFINING AND MARKETING FACILITIES IN INDIA
WRE TRANSFERRED TO THE GOI ON THAT DATE.

2. A SUM OF RS. 130 MILLION (RS. 11.7 MILLION FOR THE
REFINERY REGISTERED IN INDIA AND RS 1.3 MILLION FOR THE
MARKETING COMPANY INCORPORATED IN THE BAHAMAS) EQUAL
TO \$14,560,000 IS TO BE PAID TO CALTEX IN FIVE INSTALL-
MENTS. THE FIRST INSTALLMENT OF ?10,080,000 IS DUE
MARCH 31, 1977 FOLLOWED FOR FOUR EQUAL ANNUAL INSTALL-
MENTS OF \$1,120,000 PLUS INTEREST AT 8 PERCENT TAX
FREE ON THE DECLINING BALANCE AS SHOWN BELOW.

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DATE OF PAYMENT PRINKIPAL AMT INTEREST TOTAL

MARCH 31, 1977	\$ 10,080,000	-0-	\$ 10,080,000
MARCH 31, 1978	1,120,000	\$ 642,419	1,762,419
MARCH 31, 1979	1,120,000	268,800	1,388,800
MARCH 31, 1980	1,120,000	179,200	1,299,200

MARCH 31, 1981 1,120,000 89,600 1,209,600

\$ 14,560,000 \$1,180,019 \$ 15,740,019

3. IN ACCORDANCE WITH A MEMORANDUM OF UNDERSTANDING SIGNED IN NOVEMBER 1976 BETWEEN THE TWO PARTIES, CALTEX HAS AGREED TO SUPPLY UP TO 1.25 MILLION MTRIC TONS OF CRUDE ANNUALLY FOR 5 YEARS AT PREVWILING COMMERCIAL RATES. ALTHOUGH GOI HAS NOT YET EXERCISED THIS OPTION FOR 1977, IT IS UNDERSTOOD NOW TO BE UNDER SERIOUS CONSIDERATION.

4. A COPY OF THE ORDINANCE IS BEING POUCHED TO NEA/INS.

5. COMMENT: WITH CALTEX'S NET WORTH PLACED AT RS. 90.83 MILLION, THE COMPANY FAIRED MUCH BETTER THAN IT ANTICIPATED. THEY ALSO EXPEKT FURTHER PAYMENTS FROM OUTSTANDING CLAIMS PREDATING JANUARY 1, 1976. ALL PROFITS OR LOSES FROM CLATEX OPERATIONS DURING 1976, HOWEVER, ARE TO BE ABSORBED BY THE GOI. CALTEX HAS SET UP AN OFFICE IN INDIA UNDER THE NAME OF CALTEX OCEANICS LTD. AND RTAINED ONE OF ITS FORMER STAFF MEMBES TO LOOK AFTER ITS INTERESTS. THERE IS SOME INDICATION THAT CLATEX MAY LOOK INTO THE POSSIBILITY OF BEKOMING INVOLVED IN OFFSHORE EXPLORATION IN INDIA AS WELL. SCHNEIDER

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Message Attributes

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Copy: SINGLE
Sent Date: 07-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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